

REPORT: EM HUMAN CAPITAL

September 25, 2008

Submitted by the EMAB Human Capital Subcommittee

Background:

The enhancement of the Office of Environmental Management's (EM) human capital has been a central tenet of the Assistant Secretary's tenure, reflecting the critical nature of this resource to the achievement of EM's mission. Beginning in Fiscal Year (FY) 2006, the Environmental Management Advisory Board (EMAB or Board) has reviewed the program's human capital issues and the plans EM has developed to address them.

This review produced a number of recommendations that were presented in the Board's FY 2006 report to the Assistant Secretary and were later approved and implemented to varying degrees.

- **Recommendation 2006-01:** Develop accountability for the Human Capital Plan
- **Recommendation 2006-02:** Identify and expand on efforts to increase morale and establish a positive work culture
- **Recommendation 2006-03:** Take steps to develop and institutionalize the Mentoring Program, thereby connecting it to career development
- **Recommendation 2006-04:** Promote executive development and increase efforts to retain and develop current employees
- **Recommendation 2006-05:** Develop advanced management training modules and review the Department of Defense's career development processes in order to devise a suitable DOE career-progression path for internal advancement and growth

In FY 2007, EMAB was asked to narrow its review of human capital issues to address and provide additional advice on the urgent matter of EM's employee recruitment and retention strategies in light of anticipated significant retirements concomitant with increased competition from private industry for suitable and qualified replacements. In May 2008, EMAB made the following recommendations:

- **Recommendation 2008-03:** Identify and optimize those resources and corporate messages that prove most effective in recruiting and securing new talent
- **Recommendation 2008-04:** Create an inclusive environment where all employees continue to feel valued and involved throughout their tenure
- **Recommendation 2008-05:** Review the Federal Human Capital Survey and aggressively address findings that indicate employee dissatisfaction

During EMAB's May 7, 2008 meeting in Washington D.C., Ms. Diane Cochran, Deputy Assistant Secretary for Human Capital and Business Services, briefed the Board on the implementation of EMAB's previous recommendations as well as those identified in the recent report issued by the National Academy of Public Administration. She also

detailed the major challenges that EM continues to face and outlined a series of steps being developed to respond to those issues.

On August 7, 2008, the EMAB Human Capital Subcommittee held a conference call with staff from the Office of Human Capital and Business Services (EM-40) and received a detailed briefing from Ms. Cochran, Mr. Jaffer Mohiuddin, Ms. Mary Ann Maloney and Mr. Armando Rodriguez. This briefing updated the members as to the current status of EM actions responsive to the recommendations set out above, and included a number of new initiatives.

Findings and Observations:

The Human Capital Subcommittee is encouraged by the thoughtful implementation of EM's Human Capital Plan, and particularly the number of initiatives that have been developed to address the organization's human capital challenges. The Plan, as a whole, incorporates many best practices and holds great potential for EM if it can be fully implemented and monitored so that appropriate modifications can be made where they are desirable or necessary.

The Subcommittee is particularly impressed with (1) the Leadership Excellence Program; (2) the efforts being made to put competency assessments and training in place for the lifetime of all employees; and (3) with the potential of the workforce planning tools currently under development.

The Leadership Excellence Program is understandably focused on generic management competencies. However, the Subcommittee also believes that it would be desirable to include a module for regulatory compliance that would help employees deal with the regulatory environment in which EM operates, if such training is not already widely available. The Subcommittee notes and encourages the further strengthening of EM's diversity performance standards and the development of meaningful language that can be embedded into the leadership's expectations and understanding. It also notes with interest EM's plans to perform advance vetting of job candidates, so that on-the spot job offers can be made following interviews at various conferences and events.

Overall, the Subcommittee applauds the efforts of EM's staff concerning the Human Capital Plan and believes that it would be useful for Ms. Cochran to continue regularly briefing EMAB as to the status of its implementation and any further developments. The Subcommittee has also identified what it believes to be two needs that are particularly critical to the success of this implementation, and has incorporated them into the recommendations discussed below. They include:

- The need for EM to identify performance indicators for its human capital initiatives;
- And the need for strong endorsement of the Human Capital Plan in order to provide support for its continued implementation through the coming transition in administrations.

Recommendations:

Recommendation 2008-27: Create performance indicators for human capital initiatives in order to track progress over time and assess the extent to which practices have been institutionalized and are achieving the desired goals.

While EM has incorporated many best management practices into its Human Capital Plan and developed a number of initiatives that are responsive to the unique challenges it faces at this time in trying to ensure that the right people will be available in the organization at the right time for the right job, it needs to establish clear goals and have a system in place by which managers can track and assess progress against those goals—and where desirable or necessary, make mid-course corrections. EM needs to identify what success would look like, in what timeframe, and how the effectiveness of the initiatives can be measured. The Subcommittee has been advised that EM may have a few such indicators in place and has asked that the full Board be briefed as to the status of the development of goals and metrics.

The development of these goals, appropriate indicators, and periodic progress reports will be helpful in assessing not only the status of the human capital efforts and whether they are on track, but might also identify programs and problems where EMAB may be able to offer constructive advice to EM for additional or modified efforts to help it reach its goals. For example, EMAB has been asked to help identify “corporate experiences, strategies, and programs that are adaptable to EM.”

The Subcommittee believes that the current Human Capital Plan contains many best practices and that it is desirable to see them implemented—and to monitor their progress toward goals—before suggesting additional elements.

Recommendation 2008-28: Make a concerted effort to institutionalize and implement the various elements of the EM Human Capital Plan during the transition period.

Human capital will continue to be the critical resource affecting EM’s ability to achieve its mission and, if anything, the challenges will continue to increase as a new administration takes over in January. EM has developed a sound, thoughtful plan for enhancing its human capital, and it is critical that it take advantage of the time between now and the arrival of a new executive team to institutionalize and put into operation its Human Capital Plan. The public interest would be best served if the momentum concerning human capital enhancement is maintained through the transition period and into the next administration. In turn, this will facilitate continuation of the momentum to clean-up sites and responsibly manage ongoing activities. Because new or different substantive policy direction is unlikely to be forthcoming during this time period, it is an ideal time to get critical supportive activities in place and operational, and to provide training opportunities to employees.

Recommendation 2008-29: Complete and implement workforce planning tools to help predict and model workforce requirements based on shifts in funding.

The Board encourages the completion and full implementation of the workforce planning tools (i.e. the Logistics Management Institute Workforce Planner) being developed to help predict and model workforce requirements based on funding availability and alternative funding scenarios.

Recommendation 2008-30: Continue to support the Leadership Excellence Program, which offers great potential for developing a high-performing organization and warrants sustained management commitment and financial resources.

The Board applauds EM's Leadership Excellence Program and its three-tiered approach that covers the entire workforce for the life of their career. This is an ambitious undertaking with great potential to enhance individual, as well as well as organizational, performance. However, the resources required for implementation are significant and will require sustained commitment by EM management in order to realize that potential.